

1964

## CONGRESSIONAL RECORD — SENATE

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TABLE III.—Net profit after taxes for all manufacturing corporations, by industry, as a percent of sales

Industry	1957	1963 <sup>1</sup>	Industry
Drugs	10.4	9.8	Petroleum refining and related industries.
Petroleum refining and related industries	10.3	9.7	Drugs.
Chemicals and allied products	7.7	8.0	Chemicals and allied products.
Stone, clay, and glass products	7.5	7.2	Stone, clay, and glass products.
Primary metal industries	6.8	6.0	Transportation equipment.
Instruments and related products	5.7	5.8	Tobacco manufactures.
Tobacco manufactures	5.1	5.8	Instruments and related products.
Paper and allied products	5.0	5.7	Primary metal industries.
All manufacturing corporations except newspapers	4.8	5.1	Machinery (except electrical).
Machinery (except electrical)	4.8	5.0	All manufacturing corporations except newspapers.
Transportation equipment	4.5	4.7	Paper and allied products.
Electrical machinery, equipment, and supplies	4.2	3.8	Rubber and miscellaneous plastics products.
Rubber and miscellaneous plastics products	3.8	3.8	Electrical machinery, equipment, and supplies.
Printing and publishing except newspapers	3.6	3.5	Lumber and wood products.
Other fabricated metal products	3.6	3.4	Other fabricated metal products.
Furniture and fixtures	2.7	3.4	Printing and publishing except newspapers.
Miscellaneous manufacturing and ordnance	2.5	3.3	Miscellaneous manufacturing and ordnance.
Lumber and wood products	2.3	2.4	Textile mill products.
Food and kindred products	2.2	2.3	Food and kindred products.
		2.3	Furniture and fixtures.
		1.2	Apparel and other finished products.
Leather and leather products (including shoes)	2.0	1.2	Leather and leather products (including shoes).
Textile mill products	1.9		
Apparel and other finished products	1.3		

<sup>1</sup> 2d quarter.

Source: Quarterly financial reports, Securities and Exchange Commission, and Federal Trade Commission.

Note.—Of all industries recorded in 1957, the leather and leather products industry ranked 3d from the bottom. Of all industries recorded in 1963, the leather and leather products industry was the lowest.

TABLE IV.—New employment, separations, and voluntary separations, 1958–62<sup>1</sup>

	Nonrubber <sup>2</sup>			Leather tanning and finishing		
	New employment per 100 employees	Separations per 100 employees	Voluntary separations per 100 employees	New employment per 100 employees	Separations per 100 employees	Voluntary separations per 100 employees
1962	2.9	4.7	2.4	2.1	3.9	1.2
1961	2.6	4.6	2.1	1.8	3.6	.9
1960	2.8	4.7	2.3	1.6	3.4	1.0
1959	3.6	4.3	2.3	1.7	3.3	1.0
1958	2.0	4.0	1.7	1.2	3.1	.7

<sup>1</sup> Figures prior to 1958 are not available.<sup>2</sup> Not available for rubber division of industry.

TABLE V.—Number of employees and payroll in footwear manufacturing industry, by rubber and nonrubber division, 1955–62

[In thousands of employees and dollars]

	Total		Nonrubber		Rubber		Allied industries					
							Total		Leather tanning and finishing		Footwear cut stock	
	Number of employees	Payroll	Number of employees	Payroll	Number of employees	Payroll	Number of employees	Payroll	Number of employees	Payroll	Number of employees	Payroll
1962	268.1	909,690	241.2	784,556	26.9	125,034	40.1	218,381	31.7	157,237	17.4	61,144
1961	268.4	864,119	239.6	759,696	23.8	107,423	52.0	224,935	32.3	158,217	19.7	66,718
1960	264.6	839,737	242.6	743,338	22.0	96,399	53.6	232,661	33.6	163,864	20.0	68,797
1959	260.5	853,917	247.5	758,224	22.0	95,693	55.2	241,821	36.3	173,563	18.9	68,258
1958	257.8	785,349	237.4	699,738	20.4	85,611	55.1	223,943	37.1	165,454	18.0	58,489
1957	264.0	799,915	243.8	718,280	20.2	81,635	62.6	237,609	40.1	171,071	22.5	60,538
1956	265.0	788,354	246.3	704,892	21.7	83,462	63.0	235,714	41.4	172,452	21.6	63,262
1955	268.5	737,355	248.4	664,316	20.1	73,039	65.4	239,038	43.5	177,153	21.9	61,885

Source: Bureau of Labor Statistics.

## McNAMARA'S WAR IN SOUTH VIETNAM

Mr. MORSE. Mr. President, press reports indicate that one of Secretary Rusk's missions in Manila this next week will be to induce some of our partners to the South East Asia Treaty Organization to join us in the war in South Vietnam.

However, to quote the New York Times of yesterday morning:

Well-informed sources said the proposals would be made directly to the individual nations, outside the SEATO framework, and would not involve concerted action by the Organization. Mr. Rusk is expected to urge more contributions from Australia, the Philippines, and possibly New Zealand.

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If the Secretary is not going to seek concerted SEATO action in South Vietnam, then we are wasting our time being a party to that treaty. I am tired of hearing that we must support SEATO because it is a bulwark for peace in the area, when it does nothing about the one threat to peace that presently exists there.

If SEATO members do not want to enter the war on a joint basis, then at the very least they should explore the means of settling the dispute as quickly as possible. That, too, is a part of the Organization's responsibility.

Mr. President, let me make it clear that the senior Senator from Oregon does not believe that SEATO should en-

ter the war in the sense of intensifying the war and killing more people. SEATO should enter the picture, but I think SEATO should enter the picture in an attempt to resolve the conflict short of war, short of killing, and short of shooting. SEATO has an obligation to see what can be done to try to resolve that dispute, which is a civil war, and to have it come to an end on some reasonable terms or basis, to stop the killing, and to stop the threat to the peace in south-east Asia.

Mr. Rusk should use the Manila Conference of SEATO Foreign Ministers to explore what France has in mind for a possible neutralization of Vietnam. I do not know what De Gaulle is talking about

when he talks about possible neutralization. There are all sorts of neutralization possibilities. I should like to know what his plan is. He ought to be asked to produce it. His country is a signatory to the treaty. Our Secretary of State should not be over there talking with people independently and separately from their connections with SEATO. In my judgment, Secretary Rusk has a clear obligation and duty to get the Foreign Ministers together to talk about South Vietnam as a SEATO problem, not overlooking the fact that the SEATO signatories, including the United States, set up the protocol agreement in respect to the SEATO Treaty vis-a-vis South Vietnam.

I should like to know what the Foreign Ministers propose to do about bringing to an end the unjustifiable killing that is going on in South Vietnam. The UPI ticker outside the door tells about three more Americans who were killed when their helicopter fell to the ground. It is not clear whether the helicopter was shot down. However, they were flying over Vietcong territory. The probabilities are, therefore, that it was shot down. However, shot down or not, it is a casualty of the war, and three more Americans have been killed. The day before yesterday, a Maryland officer was killed. The casualty list is going up.

As I said the other day, we should keep the American flag over all public buildings, particularly the White House and the State Department and the Pentagon and the Capitol, at half mast for as long as we participate in the killing in South Vietnam and continue to allow American boys to be unjustifiably killed in a military operation in which we have no business whatever.

We ought to be using the great influence of the President of this great Republic of ours to act, through the Secretary of State, in Manila, at what is supposed to be a SEATO meeting. If they do not take up South Vietnam, it is a waste of time. We ought to expect our Secretary of State to try to use the machinery of SEATO to bring to an end the unnecessary war in South Vietnam and the completely unjustifiable participation of the United States in that war.

What else are these Ministers meeting for? Is it not the sole duty of SEATO to confer about threats to the peace in areas like South Vietnam? Is it not SEATO's function to work out a joint policy for either dealing with it or settling it? I do not know why we have a SEATO at all if it is not going to do that.

Secretary Rusk may find that France has a suggestion for Vietnam that is worth considering. He may even find that it deserves support. It may be that other SEATO members would be interested in what France has to offer on the matter.

Certainly if the other members are not going to contribute to the American intervention there, it must be assumed they are interested in a means of settling the dispute peacefully.

France's Premier has the interesting opinion that no military victory in South Vietnam is going to solve anything. He

is probably remembering all the French victories that were reported in Indochina right up to the disaster at Dien-bienphu. The French and American publics were fed a constant diet of optimistic reports on how well the war was going for the French.

But we know now that it was not. The victories that were reported were far from the whole story. So the end came suddenly and the collapse was a surprise to many in both countries.

The French learned the hard way. It has been said that to be educated only means to be able to profit from someone else's experience, and not have to learn everything for one's self. Are we going to learn from France's experience in Indochina, or do we have to learn the hard way, too?

I hope that will not be the case. I hope the SEATO meeting will explore the French views on Vietnam, and that it will work out a joint policy for handling the situation in South Vietnam. If it does not, then it is no longer worthy of American participation.

I ask unanimous consent that an article published in the New York Times entitled "Rusk's Asian Trip To Take in Saigon," and two articles published in today's Washington Post on the same subject be printed in the Record at this point.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York (N.Y.) Times, Apr. 10, 1964]

#### RUSK'S ASIAN TRIP TO TAKE IN SAIGON—WHITE HOUSE ADDS STOP TO SECRETARY'S SCHEDULE

(By Hedrick Smith)

WASHINGTON, April 9.—Secretary of State Dean Rusk announced a surprise decision tonight to visit South Vietnam for a firsthand look at the war against Communist guerrillas.

After a meeting with President Johnson at the White House this evening, Mr. Rusk said he would extend his forthcoming trip to the Philippines and Taiwan to include a stop in Saigon. It would be his first visit there as Secretary of State.

The Secretary will depart tomorrow for the Southeast Asia Treaty Organization's ministerial conference in Manila and discussions in Taipei with Generalissimo Chiang Kai-shek.

He told newsmen at the White House that "no special emergency or crisis" had prompted him to extend his tour to include a 2- or 2½-day visit to South Vietnam.

"I want to get my own impressions of the situation," he said.

#### PROPOSED BY PRESIDENT

"The President asked me, while I am out in that part of the world, to go on to Saigon and talk with Ambassador (Henry Cabot) Lodge and Maj. Gen. Nguyen Khanh," he said.

He said his visit, which is expected to include personal discussions with General Khanh, South Vietnam's Premier and probable helicopter visits to the Vietnamese countryside, was "another indication of the immense importance this country attaches to the safety of South Vietnam."

Earlier in the day, State Department sources briefing newsmen on Mr. Rusk's trip made no mention of a possible stop in Vietnam. Officials later said that Mr. Rusk had been considering such a stop, since Saigon is less than 3 hours flying time from Taipei

in Taiwan, officials said the decision that he should go was made in the White House.

#### THERE IN PREVIOUS POST

Mr. Rusk visited South Vietnam when he was head of the Rockefeller Foundation, before joining the Kennedy administration. This visit will give him his first opportunity as a Government official to see the guerrilla war firsthand.

While in Manila for the SEATO meeting, the Secretary is expected to urge the U.S. allies in the Pacific to make greater contributions to the war effort in South Vietnam.

Well-informed sources said the proposals would be made directly to the individual nations, outside the SEATO framework, and would not involve concerted action by the organization. Mr. Rusk is expected to urge more contributions from Australia, the Philippines and possibly New Zealand.

#### FRENCH EXPLANATION SOUGHT

Mr. Rusk is also expected to press the French delegation at the Manila Conference for fuller explanations of President de Gaulle's plans for neutralizing southeast Asia.

A high State Department source said Mr. Rusk had scheduled private talks with Foreign Minister Maurice Couve de Murville during their stay in Manila.

The SEATO ministerial talks will run from April 13 to 15. En route to Manila, Mr. Rusk will stop briefly in Alaska.

State Department sources said today that the SEATO talks would range over a variety of issues, including East-West relations in general and the dispute between Malaysia and Indonesia, but were expected to concentrate on the situation in South Vietnam.

[From the Washington (D.C.) Post, Apr. 11, 1964]

#### FUTILITY SEEN IN VICTORY

TOKYO, April 9.—Premier Georges Pompidou said today that a military victory for the forces the United States is backing in South Vietnam "would not solve anything."

The visiting Premier told a news conference:

"I don't want to seem to be a prophet of doom to our U.S. allies, but we have kept the memory of the bitter experiences in the Indochinese and Algerian wars. We are convinced that such a war, even if victorious, does not solve anything, and the solution can only be political."

[From the Washington (D.C.) Post, Apr. 11, 1964]

#### RUSK TO ARRIVE TODAY IN MANILA FOR TALKS (By Warren Unna)

Secretary of State Dean Rusk is scheduled to arrive in Manila tonight for the annual meeting of Foreign Ministers of the eight Southeast Asia Treaty Organization nations. He will also make a special trip to South Vietnam on behalf of President Johnson.

Administration officials tend to look on the SEATO meeting as a formality for a now 10-year-old organization that has never got off its blueprint stage.

But because the SEATO meeting will bring Rusk together with French Foreign Minister Maurice Couve de Murville, U.S. differences with French President de Gaulle over his desire for a neutralized southeast Asia may get an airing.

#### VIEWS TO BE AIRD

Similarly, Pakistan may want to press her views on inviting Communist China into the United Nations. And Britain and the Philippines probably will discuss their differences over Indonesia's confrontation policy against Malaysia.

But the meaningful exchanges are expected to take place in bilateral and trilateral conversations, not in the full SEATO arena.

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Rusk is expected to talk with both Couve de Murville and Philippine President Diosdado Macapagal over the weekend, before the formal 3-day SEATO session begins on Monday.

SEATO's members include the United States, Britain, France, Thailand, the Philippines, Pakistan, Australia, and New Zealand. On Thursday, after the SEATO session, Rusk will leave for Taipei, capital of Nationalist China's President Chiang Kai-shek, for a 1½-day visit.

## CHIANG DISTURBED

Chiang and his government were very disturbed, earlier this year, when De Gaulle announced his intention of recognizing Communist China.

Taipei newspapers last week speculated that Chiang may have two objectives in his conversations with Rusk:

1. How to block China's entrance into the United Nations.
2. How to rid the Chinese mainland of its Communist regime.

After Taiwan, Rusk will make a brief visit to South Vietnam. He is expected to return to Washington April 20.

[From the Washington (D.C.) Post, Apr. 11, 1964]

## HEAVY LOSSES ARE INFLICTED ON REDS BY SAIGON FORCES

MY THO, SOUTH VIETNAM, April 10.—Government forces in heavy fighting today thwarted a Communist attack on the town of Mo Cay, 50 miles south of Saigon, and inflicted heavy losses on the enemy, U.S. military advisers reported.

In an unrelated accident three American Army helicopter crewmen and seven Vietnamese soldiers were killed, a U.S. spokesman said when the tail fell off a troop-carrying helicopter for unknown mechanical reasons. A fourth American was seriously injured.

The U.S. military men said the Government scored a victory at Mo Cay. The fighting involved 1,000 men on each side. One American flier was killed and two were wounded. Two U.S. helicopters were shot down and the Government lost important equipment.

The dead pilot was identified by the Defense Department in Washington as Capt. Robert N. Brumet, whose wife lives at 9211 Shelton Street, Bethesda, Md.

The advisers reported at least 50 Vietcong guerrillas were known dead and their casualties probably were twice that figure. The Government lost 24 killed, 23 wounded and 13 missing. They captured 7 rifles, 1 submachine gun and 3 carbines but lost 2 automatic rifles, 21 rifles, 12 carbines, 6 submachine guns and 2 radios.

The American pilot and his Vietnamese observer were killed when the Communists shot down a Vietnamese airforce T-28 fighter carrying out strafing runs yesterday.

Two of four crewmen were wounded slightly when the Communists shot down a heavily armed HU-1-B helicopter and continued to fire at it on the ground. The Americans burned the aircraft before escaping.

The other helicopter, an unarmed H-21, crashlanded outside the battle area without serious damage or injury to crew members.

The Vietcong attacked, apparently to draw a large Government force out of Mo Cay and into an ambush while other guerrillas launched a direct attack on Mo Cay. Vietcong mortars shelled the town but the attack never materialized.

A Government battalion left Mo Cay to relieve the Thanh Tho outposts but it expected the ambush and put up a fight that surprised the Communists. It radioed for help and two armored cars were sent to the scene. Other reinforcements were flown in by helicopter.

U.S. advisers said the stiff resistance by the ambushed battalion and the quick arrival of reinforcements foiled the Vietcong plan to capture Mo Cay.

Mr. MORSE. Mr. President, I close this topic by saying that I believe now is the time to make a comment or two by way of projection on a hypothetical situation. Let us assume that McNamara's war comes out as he hopes it will. Let us pray to God that it is not escalated into North Vietnam. We know that if it is escalated into North Vietnam the plan is to use nuclear weapons. It is not possible to put conventional ground troops into North Vietnam and win. If we put conventional ground troops into North Vietnam, we shall undoubtedly find ourselves in the same position in which the United States found itself when it was the plan to bomb beyond the Yalu River in Korea. What the American people were not told then—but it is known now and it ought to be repeated on the floor of the Senate—was that when all the talk about bombing beyond the Yalu was filling the press, and people were saying that nothing short of victory would satisfy us, the United States did not control the air. The Chief of the Air Force so testified. The Chief of the Army so testified. The Secretary of State so testified. It is about time that that myth be exploded, too, as to why we did not bomb beyond the Yalu. If we had bombed beyond the Yalu, the probabilities would have been great—so the military testified, also—that we would have lost most of the American force in Korea. There were some who were high in command, but not with responsibilities in Washington, who did not believe Russia would enter the war. Russia made it clear that she would enter it. And she controlled the air at the time of the Korean war.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Has the testimony to that effect ever been published?

Mr. MORSE. No. It has not been published. But it has been in the newspapers time and time again.

Mr. President, the great Marshall was right, the great Bradley was right, the great Vandenberg was right, in following the course of action that was followed in Korea.

I am fed up with the undermining, the undercutting, the disparagement, the libeling, and the slandering of the great President who was in the White House during those critical days—Harry Truman. Never did a more courageous man serve this country. Harry Truman served the American people and the American military force well at the time of the Korean crisis. He recognized what a cost in thousands of American lives would have flowed as a result of bombing beyond the Yalu. When Harry Truman issued the order not to bomb beyond the Yalu, he served the security of this country well.

We had better take a look at South Vietnam.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. GORE. In view of the important, able, and provocative speech that the Senator is making, I wonder if he would further document his statement that at the time certain military leaders proposed that bombing raids be launched beyond the Yalu, the United States did not enjoy superiority in the air.

Mr. MORSE. It has been documented by time. I stand on it—period.

We had better take a look at South Vietnam. If we do not stop McNamara's war in South Vietnam and the situation becomes worse, there will be those in this country who will become emotionally aroused. They will wave the flag into tatters. They will want to escalate the war into North Vietnam. If we escalate the war into North Vietnam with the use of American nuclear weapons, we will be just as wrong as we can be. There will be more than merely American forces in North Vietnam. We ought to take judicial notice of the fact that Asia has no intention of turning Asia over to Western powers.

Let any Senator or anyone in the Government produce for me one high, competent military official who will appear and testify under oath that we can place an American conventional army in Asia and expect that army to succeed without horrendous losses, as tide after tide of Asiatic human bodies is hurled at that army by Communist powers who place no value on human lives.

Now is the time for us to do our thinking, before the fact, in order to prevent the fact from occurring, and not after the fact.

The South Vietnam war is of such great concern to American foreign policy, to our ideals, to our professions, to our statements, that we believe in settling disputes by application of the rule of law, that we ought to start keeping faith with it.

This great Republic ought to be taking the leadership either through SEATO or, if we fail there, in the United Nations to have the South Vietnam problem handled without unilateral action by the United States. We cannot justify continuing our activities in South Vietnam except through SEATO or the United Nations.

I shall continue to address myself from time to time to the South Vietnam, McNamara war so long as my country continues to do what I think it is doing in South Vietnam—betraying the great ideals of this Republic in respect to our claims that we seek to promote peace in the world by peaceful measures, not by killing.

The sad thing is that we are today following a course of action in Vietnam without ever having attempted to have SEATO or the United Nations take jurisdiction. One of the paradoxes of our activity in South Vietnam is that we are not even supporting freedom. If anyone believes that the military tyrant we are supporting in South Vietnam has any conception of freedom, he could not be more wrong. We are supporting a military dictatorship; and a military leadership, like a Communist dictator-

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ship, destroys human freedoms, human rights, and civil liberties. I do not want to see my country writing this dark page in American history in which we are supporting one of the two vicious forms of totalitarianism that exist in the modern world, in this instance a military dictatorship—bad as a Communist dictatorship is. Under both kinds of dictatorships there are naught but police-state methods.

Why the United States has put itself into this paradoxical, hypocritical position is beyond my understanding. I intend to continue, irrespective of whatever the political cost may be to me, to speak out against it. The American Legion posts in my State that do not like it can pass all the resolutions they want, for I will test my patriotism against theirs at any time.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. MORSE. Protecting my rights to the floor, I yield.

Mr. ELLENDER. Reverting to the eloquent remarks the Senator made about President Truman concerning his conduct of the Korean war, is the Senator familiar with the reason why President Truman agreed to meet General MacArthur at Wake Island while the war was in progress?

Mr. MORSE. I have my own understanding of it, but I cannot speak for President Truman.

Mr. ELLENDER. Does the Senator from Oregon know that at that meeting President Truman pled with General MacArthur to agree to the establishment of an impregnable line from Wonsan through the capital of North Korea and on to the Yellow Sea, and to let the South Koreans carry the war to the north?

Mr. MORSE. I am not familiar with that.

Mr. ELLENDER. As I understand, that was one of the main purposes of President Truman's visit. General MacArthur refused to take that advice and said that if he were permitted to conduct the war as he saw fit, he would "bring the boys back by Christmas." Is the Senator familiar with that boast of General MacArthur?

Mr. MORSE. I am familiar with that MacArthur statement; but that MacArthur statement cannot be squared with the advice we got from other military leaders.

Mr. ELLENDER. I, myself, obtained the information before the Appropriations Committee, from one of the Joint Chiefs of Staff—one who is now dead; I think his name was Admiral Sherman, who died in Italy.

#### THE FLORIDA EAST COAST RAILWAY AND THE ALFRED I. DU PONT ESTATE

Mr. MORSE. Mr. President, I turn now to another matter.

Recently, some Senators received a letter from Mr. Edward Ball, chairman of the board of the Florida East Coast Railway, making serious charges against certain unnamed Government agencies in connection with the long strike on that railroad.

Mr. Ball enclosed with his letter a copy of a speech by Mr. W. L. Thornton, chief operating officer of the Florida East Coast Railway, in which Mr. Thornton accused the Government of "blackmailing" the railroad on behalf of the railroad labor unions. Mr. Thornton gave a number of examples of the supposed "blackmail" and "coercion."

Mr. President, these are very serious charges. They are made against some prominent officials of the executive branch. If true, they should cause grave concern to us here and to all other citizens.

If untrue—if made out of malice and spite—these charges reflect, not on our Government officials, but on the persons making the charges.

I have looked into Mr. Ball's and Mr. Thornton's charges. So far as I can find, there is no evidence whatever to support their allegations. When Mr. Ball and Mr. Thornton see a conspiracy to blackmail and coerce them, the evidence shows only an effort by responsible Government officials to enforce the laws of the land and the policies enacted by Congress.

In my judgment, if Mr. Ball and Mr. Thornton would themselves obey the law—specifically, the policies laid down in the Railway Labor Act—the difficulties they complain about would vanish.

The attitude of Mr. Ball during this 14-month-old strike is illustrated both by his steady refusal to arbitrate the wage issue involved, and by the reasons given for his refusal. Beginning nearly a year ago, various public officials have suggested that, failing a negotiated settlement, the issue behind the Florida East Coast Railway strike be submitted to impartial arbitration.

The entire Florida delegation in Congress suggested this. The Secretary of Labor suggested it. The President of the United States suggested it. The unions agreed every time. Mr. Ball refused every time. Why did he refuse?

According to Mr. Thornton, in the speech sent to us by Mr. Ball:

The F.E.C. feels it should not place the future of the railway in the hands of a so-called disinterested neutral party no more than could the President of the United States place the future of this Nation in the hands of a neutral country when negotiating the test ban treaty with Russia.

That is an interesting analogy, but I suggest that it rather intimates a delusion of grandeur on the part of Mr. Thornton.

His statement is a revealing one. In it, Mr. Ball identifies himself as the ruler of an empire endowed with qualities of a sovereign nation. He equates the granting or withholding of a 10-cent wage increase on his Florida East Coast Railway with a question of nuclear war or peace. He pictures himself, when dealing with the legally authorized representatives of his employees, in the same position as that of the United States when dealing with Communist Russia.

Mr. Ball, by his own admission, is the emperor of a billion-dollar system of banks, industries, railroads, real estate holdings, and stock holdings—an economic empire known as the Alfred I. du

Pont Estate, of Jacksonville, Fla. This empire has expanded enormously, because it was exempted from the Bank Holding Company Act. It should now be brought under that act. That would split up its power. I have introduced a bill to do so, and I am glad to report that several members of the Banking and Currency Committee have expressed an interest in my bill.

For the information of the Senate, I wish now to review the principal charges made by Mr. Ball and Mr. Thornton. I shall also briefly review the history of the Florida East Coast Railway strike, to which their charges relate.

First let me say that a great Member of the House of Representatives from the State of Texas, in his capacity as chairman of the Subcommittee of the House of Representatives Select Committee on Small Business, headed by the great and incomparable WRIGHT PATMAN, has issued a document on tax-exempt foundations and charitable trusts. The third installment of that document deals specifically with the Du Pont economic dynasty in Florida and the lengths to which it goes in trying to exercise its economic dictatorial power over the State of Florida.

The entire report is too long to have printed in the Record; but I wish to place in the Record Representative PATMAN's letter of transmittal to the members of the subcommittee—a letter only 2½ pages long. I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

EXCERPT FROM PAGE III OF "TAX-EXEMPT FOUNDATIONS AND CHARITABLE TRUSTS: THEIR IMPACT ON OUR ECONOMY" (THIRD INSTALLMENT)—SUBCOMMITTEE CHAIRMAN'S REPORT TO SUBCOMMITTEE NO. 1, SELECT COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, 88TH CONGRESS, MARCH 20, 1964

#### LETTER OF TRANSMITTAL SELECT COMMITTEE ON SMALL BUSINESS OF THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES

Washington, D.C., March 20, 1964.  
To Members of Subcommittee No. 1 of the House Small Business Committee:

I am transmitting herewith for the consideration of the subcommittee the third installment of our study of the impact of tax-exempt foundations and charitable trusts on the Nation's economy. The first and second installments were transmitted on December 31, 1962, and October 16, 1963, respectively.

This report constitutes an analysis of the Alfred I. du Pont estate and its affiliate, the Nemours Foundation, of Jacksonville, Fla., and the destructive effect of such organizations on our tax base. Laid bare here for the first time is the detailed anatomy of one of America's great fortunes—a fortune that will one day slip away forever from the payment of any income taxes.

By this dramatic example, we will contribute to an understanding of the ever-increasing erosion of our tax base. More and more, the "cream" is slipping out of our tax system as the great fortunes go into tax-exempt foundations. The "skim milk" incomes of average, hardworking families must then shoulder an increasing part of the tax burden, both Federal and State.